

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Hong Kong Life Sciences and Technologies Group Limited** (the “**Company**”), you should at once hand this circular together with the accompanying form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agents through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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Hong Kong Life Sciences and Technologies Group Limited
香港生命科學技術集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8085)

**PROPOSED REFRESHMENT OF GENERAL MANDATE TO
ALLOT AND ISSUE SHARES;
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



大有融資有限公司
MESSIS CAPITAL LIMITED

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Independent Board Committee is set out on page 10 of this circular and a letter from Messis Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 19 of this circular.

A notice convening the EGM to be held at 5/F, Euro Trade Centre, 13–14 Connaught Road Central, Hong Kong on Friday, 3 June 2016 at 11:00 a.m. is set out on pages 20 to 22 of this circular.

Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the EGM or any adjournment thereof to the Company’s Hong Kong branch share registrar and transfer office, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong. Completion and return of the accompanying form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

This circular will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for a minimum period of seven days from the date of its publication and the Company’s website at <http://www.hklifesciences.com>.

18 May 2016

CHARACTERISTICS OF GEM

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Letter from the Independent Board Committee	10
Letter from Messis Capital	11
Notice of EGM	20

DEFINITIONS

In this circular, unless the context requires, the expressions shall have the following meanings:

“AGM”	the annual general meeting held on 7 August 2015
“associate(s)”	has the meaning given to that term in the GEM Listing Rules
“Board”	the board of Directors
“Company”	Hong Kong Life Sciences and Technologies Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Controlling Shareholders”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 5/F, Euro Trade Centre, 13–14 Connaught Road Central, Hong Kong on Friday, 3 June 2016 at 11:00 a.m. to consider and, if thought fit, to approve the proposed grant of the Refreshed General Mandate and the proposed Increase in Authorised Share Capital
“Existing General Mandate”	the general mandate granted at the AGM to the Directors to allot, issue and deal with 790,066,561 new Shares, being 20% of the issued share capital of the Company as at the date of the AGM
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in the authorized share capital of the Company from HK\$200,000,000 (divided into 5,000,000,000 Shares) to HK\$400,000,000 (divided into 10,000,000,000 Shares) by creation of an additional 5,000,000,000 Shares
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate

DEFINITIONS

“Independent Shareholders”	any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Latest Practicable Date”	13 May 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Messis Capital” or “Independent Financial Adviser”	Messis Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders relating to the proposed grant of the Refreshed General Mandate
“Refreshed General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the EGM to exercise the power of the Company to allot, issue or otherwise deal with the Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution
“Share(s)”	ordinary share(s) of HK\$0.04 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



Hong Kong Life Sciences and Technologies Group Limited

香港生命科學技術集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8085)

Executive Directors:

Mr. David Lin Kao Kun (*Vice Chairman*)
Mr. Lu Zhiqiang (*Chief Executive Officer*)
Mr. Chui Kwong Kau
Mr. Jiang Hongqing
Ms. Li Mei

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Non-executive Director:

Ms. Lam Kuo (*Chairman*)

***Head office and principal place of
business in Hong Kong:***

Unit 2704, 27/F
West Tower, Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Independent non-executive Directors:

Mr. Hung Yat Ming
Mr. Chan Yun Hing
Mr. Gui Qiangfang

18 May 2016

To the Shareholders

Dear Sir or Madam,

**PROPOSED REFRESHMENT OF GENERAL MANDATE TO
ALLOT AND ISSUE SHARES;
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with (i) information in respect of the resolution to be proposed at the EGM regarding the grant of the Refreshed General Mandate; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the grant of Refreshed General Mandate; (iii) a letter of recommendation from Messis Capital to the Independent Board Committee and the Independent Shareholders in respect of the grant of the Refreshed General Mandate; (iv) information in respect of the resolution to be proposed at the EGM regarding the Increase in Authorised Share Capital; and (v) notice of the EGM.

LETTER FROM THE BOARD

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

The Existing General Mandate

At the AGM, the Shareholders approved, among others, the grant of the Existing General Mandate to the Directors. Pursuant to the Existing General Mandate, the Directors were granted an unconditional general mandate to issue, allot and deal with a maximum of 790,066,561 Shares, representing 20% of the issued share capital of the Company as at the date of AGM.

Reasons for the Refreshment of General Mandate to Issue Shares

The Group is principally engaged in (i) the anti-aging and stem cell technology businesses; (ii) the trading business; (iii) the money lending business; and (iv) the securities investment.

As set out in the announcement of the Company dated 15 December 2015, the Company entered into a placing agreement whereby the Company agreed to place a maximum of 790,000,000 Shares (the “**Placing**”) and the Placing was completed on 5 January 2016 as announced by the Company on the same day. Subsequent to the completion of the Placing, the Existing General Mandate has almost been fully utilized as to 790,000,000 Shares, representing approximately 99.99% of the Existing General Mandate. Since the date of AGM to the Latest Practicable Date, the Existing General Mandate has not been refreshed. As at the Latest Practicable Date, the Company has an issued share capital of 4,740,332,805 Shares. Upon the issue and allotment of Shares as a result of the Placing, only a total of 66,561 Shares might be further issued and allotted under the Existing General Mandate, which represents only approximately 0.001% of the issued share capital of the Company as at the Latest Practicable Date.

The net proceeds from the Placing amounted to approximately HK\$100 million, of which approximately HK\$73 million has been utilized for the development of existing business and for the general working capital of the Group and the remainder of approximately HK\$27 million remains unutilised as at the Latest Practicable Date.

As disclosed in the announcement of the Company dated 26 April 2016 (the “**Announcement**”), the Company entered into the non-legally binding letter of intent with the Driving Force Limited (the “**Vendor**”), in respect of a possible acquisition (the “**Possible Acquisition**”). Subject to the formal sale and purchase agreement which may be entered into in relation to the Possible Acquisition, the Vendor shall sell and the Company shall acquire the sale share, representing 100% of the issued share capital of Clear Ambition Global Limited (the “**Target Company**”). The Target Company is a company incorporated in Samoa and principally engaged in the business of investment holding. It holds 90% of the issued share capital of Cellvax SAS, a company incorporated in France on 19 June 2001. Cellvax SAS is a service company which provides complete preclinical innovating services allowing accelerating the drug development process for unmet needs related to severe human diseases, mainly in oncology and osteoarthritis fields. The consideration for the Possible Acquisition is subject to further negotiations and determination between the Vendor and the Company. Please refer to the Announcement for further details on the letter of intent and the Target Company. Save as the Possible Acquisition as disclosed in the Announcement, the Company has not identified any concrete investment opportunities as at the Latest Practicable Date.

LETTER FROM THE BOARD

The Directors propose to seek the Independent Shareholders' approval to grant the Refreshed General Mandate which will provide the Group with financial flexibility to raise capital by issue of new Shares in a timely manner to capture fund raising opportunities when the equity market is active. In addition, there is no certainty that existing cash and facility resources will be adequate for any appropriate investment that may be identified by the Company in the future. Additional funding may still be needed in a timely manner when necessary for financing future investments should suitable investment opportunities arise, including but not limit to the Possible Acquisition.

The Directors are of the view that the grant of the Refreshed General Mandate will provide the Group with flexibility to raise further fund or allotment and issuance of new Shares for its future operations and business development or suitable prospective investment opportunities if and when they arise. Accordingly, the Directors consider that the approval of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole. In this regard, the Board proposes to grant the Refresh General Mandate to allow the Directors to issue and allot Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM.

The Refreshed General Mandate

Based on the total number of issued Shares as at the Latest Practicable Date (i.e. 4,740,332,805 Shares) and assuming that no Share will be issued or repurchased by the Company prior to the date of the EGM, the Refreshed General Mandate, if granted, will allow the Directors to allot and issue a maximum of 948,066,561 new Shares, representing 20% of the issued share capital of the Company at the EGM.

The Refreshed General Mandate will, if granted at the EGM, remain effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held in accordance with the articles of association of the Company, or any other applicable laws of the Cayman Islands; and (iii) its revocation or variation by ordinary resolution(s) of the Shareholders in general meeting.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

Save for the fund raising activity mentioned below, the Company has not carried out other fund raising activities during the 12 months immediately preceding the date of Latest practicable Date.

Date of announcement	Event	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds as at the Latest Practicable Date
15 December 2015	Placing of 790,000,000 new Shares at the placing price of HK\$0.13 per Share under general mandate	Approximately HK\$100 million	For the development of existing business and for the general working capital of the Group	Approximately HK\$41 million has been utilized for the money lending business; HK\$18 million has been utilized for the anti-aging and stem cell technology businesses; approximately HK\$14 million has been utilized for general working capital of the Group; the remainder of approximately HK\$27 million remains unutilized and will be used as intended.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Company had an authorised share capital of HK\$200,000,000 divided into 5,000,000,000 Shares of which 4,740,332,805 Shares were in issue as at the Latest Practicable Date.

In order to cater for the possible issue of new Shares in the future, the Board proposes to increase the authorised share capital of the Company to HK\$400,000,000 divided into 10,000,000,000 Shares by the creation of an additional 5,000,000,000 new Shares. Such new Shares, upon issued and fully paid, shall rank pari passu in all respects with the Shares then in issue.

As at the Latest Practicable Date, the Board had no present intention to issue any part of the increased authorised share capital of the Company. Further announcement(s) will be made by the Company if it proposes to issue any new Shares in the future.

LETTER FROM THE BOARD

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM. The Board is of the view that the Increase in Authorised Share Capital will provide flexibility to the Company in determining its future business plan, and is therefore in the interest of the Company and the Shareholders taken as a whole.

EGM

The EGM will be held at 5/F, Euro Trade Centre, 13–14 Connaught Road Central, Hong Kong on Friday, 3 June 2016 at 11:00 a.m. to consider and, if thought fit, to approve (i) the Refreshed General Mandate and (ii) the Increase in Authorised Share Capital. The notice of the EGM is set out on pages 20 to 22 of this circular.

Pursuant to Rule 17.42A of the GEM Listing Rules, the grant of the Refreshed General Mandate to the Directors to issue and allot new Shares of the Company not exceeding 20% of the issued share capital of the Company as at the date of the EGM is subject to the approval of the Independent Shareholders at the EGM by way of poll. Any controlling shareholders (as defined in the GEM Listing Rules) and their associates or, where there are no controlling Shareholders, Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution regarding the Refreshed General Mandate.

No Shareholder is required to abstain from voting on the resolution regarding the Increase in Authorised Share Capital.

As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors, (i) the Company had no Controlling Shareholder; (ii) Mr. David Lin Kao Kun (“**Mr. Lin**”), being the vice chairman of the Company and the executive Director, was interested in 848,506,333 Shares or 17.90% of the Shares in issue. Mr. Lin and his associates controlled or were entitled to exercise control voting rights in respect of the Shares and are required to abstain from voting in favour of the resolution in respect of the grant of the Refreshed General Mandate.

Save as disclosed herein, as at the Latest Practicable Date, there were no other Directors and their respective associates controlled or were entitled to exercise control over the voting rights in respect of the Shares and are required to abstain from voting in favour of the resolution for approving the grant of Refreshed General Mandate at the EGM.

The notice of the EGM is set out on pages 20 to 22 of this circular. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s Hong Kong branch share registrar and transfer office, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM should you so wish.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATIONS

Messis Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshed General Mandate. The text of the letter of advice from Mesis Capital containing its recommendation is set out on pages 11 to 19 of this circular.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Hung Yat Ming, Mr. Chan Yun Hing and Mr. Gui Qiangfang has been formed to consider the Refreshed General Mandate.

The Independent Board Committee, having taken into account the advice of Mesis Capital, considers the grant of the Refreshed General Mandate to be fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends that the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Refreshed General Mandate. The text of the letter from the Independent Board Committee is set out on page 10 of this circular.

The Directors (including the independent non-executive Directors) consider that the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Therefore, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the Refreshed General Mandate.

The Directors (including the independent non-executive Directors) consider that the Increase in Authorised Share Capital is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Therefore, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the Increase in Authorised Share Capital.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 10 of this circular; and (ii) the letter from Messis Capital to the Independent Board Committee and the Independent Shareholders set out on pages 11 to 19 of this circular.

Yours faithfully,

By order of the Board

Hong Kong Life Sciences and Technologies Group Limited

Lu Zhiqiang

Executive Director & Chief Executive Officer



Hong Kong Life Sciences and Technologies Group Limited

香港生命科學技術集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8085)

18 May 2016

To the Independent Shareholders

Dear Sir or Madam,

**PROPOSED REFRESHMENT OF GENERAL MANDATE TO
ALLOT AND ISSUE SHARES**

We refer to the circular of the Company dated 18 May 2016 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this Circular shall have the same meanings when used herein.

We have been appointed by the Board as members of the Independent Board Committee and to advise the Independent Shareholders on whether the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Messis Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned. Your attention is also drawn to the letter from the Board set out on pages 3 to 9 of the Circular and the letter of advice from Messis Capital set out on pages 11 to 19 of the Circular.

Having considered, among others, the factors and reasons considered by, and the opinion of Messis Capital as stated in its letter of advice, we consider that the grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the Refreshed General Mandate to be proposed at the EGM.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Hung Yat Ming

Mr. Chan Yun Hing

Mr. Gui Qiangfang

Independent Non-executive Directors

LETTER FROM MESSIS CAPITAL

The following is the full text of the letter from Messis Capital which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



大有融資有限公司
MESSIS CAPITAL LIMITED

18 May 2016

*To: The Independent Board Committee and the Independent Shareholders of
Hong Kong Life Sciences and Technologies Group Limited*

Dear Sir/Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of the Refreshed General Mandate, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 18 May 2016 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

Pursuant to Rule 17.42A of the GEM Listing Rules, the grant of the Refreshed General Mandate to the Directors to issue and allot new Shares of the Company not exceeding 20% of the issued share capital of the Company as at the date of the EGM is subject to the approval of the Independent Shareholders at the EGM by way of poll. Any controlling shareholders (as defined in the GEM Listing Rules) and their associates or, where there are no controlling Shareholders, Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution regarding the grant of the Refreshed General Mandate. As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors, (i) the Company had no Controlling Shareholder; (ii) Mr. David Lin Kao Kun (“**Mr. Lin**”), being the vice chairman of the Company and the executive Director, was interested in 848,506,333 Shares or 17.90% of the Shares in issue. Mr. Lin and his respective associates controlled or were entitled to exercise control voting rights in respect of such number of Shares are required to abstain from voting in favour of the resolution in respect of the grant of the Refreshed General Mandate. Save as disclosed herein, as at the Latest Practicable Date, there were no other Directors and their respective associates controlled or were entitled to exercise control over the voting rights in respect of the Shares and are required to abstain from voting in favour of the resolution for approving the grant of Refreshed General Mandate at the EGM.

LETTER FROM MESSIS CAPITAL

The Independent Board Committee, comprising Mr. Hung Yat Ming, Mr. Chan Yun Hing and Mr. Gui Qiangfang, all the independent non-executive Directors, has been established to advise the Independent Shareholders on the proposed grant of the Refreshed General Mandate. We, Messis Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years, we have not acted as the independent financial adviser to the independent board committee and the independent shareholders of the Company. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that the aforementioned appointment would not affect our independence, and that we are independent from the Company pursuant to Rule 17.96 of the GEM Listing Rules.

BASIS OF OUR OPINION

In arriving at our recommendation, we have relied on the information and facts provided by the Company and have assumed that any representations made to us are true, accurate and complete. We have also relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors and the management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular misleading. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted any independent investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the grant of Refreshed General Mandate, we have taken the following principal factors and reasons into consideration:

1. Background and reasons for the refreshment of the Existing General Mandate

At the AGM, the Shareholders approved, among others, the grant of the Existing General Mandate to the Directors. Pursuant to the Existing General Mandate, the Directors were granted an unconditional general mandate to issue, allot and deal with a maximum of 790,066,561 Shares, representing 20% of the issued share capital of the Company as at the date of AGM.

Subsequently, the Company announced on 15 December 2015 and completed on 5 January 2016 that the placing of new Shares under the Existing General Mandate. Subsequent to the completion of the placing, the Existing General Mandate has almost been fully utilized as to 790,000,000 Shares, representing approximately 99.99% of the Existing General Mandate. The Company has not made any refreshment of the Existing General Mandate since the AGM up to the Latest Practicable Date. As at the Latest Practicable Date, the Company has an issued share capital of 4,740,332,805 Shares. Upon the issue and allotment of Shares as a result of the placing of new Shares under the Existing General Mandate, only a total of 66,561 Shares might be further issued and allotted under the Existing General Mandate, which represents only approximately 0.001% of the issued share capital of the Company as at the Latest Practicable Date.

In order to maintain financial flexibility for the Company to raise further funds by issue of new Shares for its future business development as and when an opportunity arises, the Board proposes to seek the approval of the Independent Shareholders at the EGM to grant the Refreshed General Mandate such that the Directors will be granted the authority to allot and issue new Shares not exceeding 20% of the total issued share capital of the Company at the date of EGM. Subject to the passing of the ordinary resolution approving the grant of the Refreshed General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the EGM, the Refreshed General Mandate would allow the Directors to allot and issue a maximum of 948,066,561 new Shares.

Information of the Group

The Group is principally engaged in (i) the anti-aging and stem cell technology businesses; (ii) the trading business; (iii) the money lending business; and (iv) the securities investment.

We noted from the annual report of the Company for the year ended 31 March 2015 (the “**AR 2015**”), the Group recorded a decrease in revenue from approximately HK\$679.9 million for the year ended 31 March 2014 to approximately HK\$324.2 million for the year ended 31 March 2015. Such significant decrease was mainly derived from the trading business as the Group

LETTER FROM MESSIS CAPITAL

reduced its sales of metal which generate lower profit margin. The Group continued its loss making performance for the year ended 31 March 2015 of approximately HK\$88.6 million from approximately HK\$185.0 million for the year ended 31 March 2014 which was mainly due to held-for-trading investments incurred the realized and unrealized loss of approximately HK\$36.4 million as compared to a gain of approximately HK\$31.7 million on listed securities investments for the year ended 31 March 2014.

We also noted from the third quarterly report of the Company for the nine months ended 31 December 2015 (the “**3QR 2015**”), the Group recorded a decrease in revenue from approximately HK\$276.0 million for the nine months ended 31 December 2014 to approximately HK\$92.9 million for the nine months ended 31 December 2015. Such significant decrease was mainly derived from the trading business as the Group reduced its sales of metal which generate lower profit margin. In addition, the Group recorded a decrease in loss from approximately HK\$69.0 million for the nine months ended 31 December 2014 to approximately HK\$15.6 million for the nine months ended 31 December 2015. The decrease in loss was attributable to the held-for-trading investments incurred the realized and unrealized gain of approximately HK\$5.0 million for the nine months ended 31 December 2015 as compared to a loss of HK\$34.4 million on the fair value change of held for trading investments for the nine months ended 31 December 2014.

Further mentioned in the AR 2015 and the 3QR 2015, the Group will continue to enhance the anti-aging and stem cell technology businesses. In this regard, the Board will constantly keep reviewing the Group’s strategies and operations with a view to improve its business performance and the Group will continue to search and identify other products and service to broaden its revenue stream as well as explore other investment opportunities to expand and diversify its business portfolios.

Apart from analysing the results of operations of the Group, we have also analysed the latest financial position of the Group. Based on the unaudited consolidated statement of financial position as contained in the interim report of the Company for the six months ended 30 September 2015, the Group recorded net current assets of approximately HK\$149.8 million, as compared to that of approximately HK\$137.9 million as at 31 March 2015. However, it is noted that the cash and bank balances of the Group as at 30 September 2015 merely amounted to approximately HK\$3.6 million as compared to that of approximately HK\$12.1 million as at 31 March 2015. We also noted that after the completion placing of the new Shares under the Existing General Mandate with the net proceeds of approximately HK\$100 million as announced by the Company on 15 December 2015, the Group has an unutilised cash balance of approximately HK\$27 million and is currently placed with bank as at the Latest Practicable Date.

LETTER FROM MESSIS CAPITAL

Recent business developments of the Group

As disclosed in the announcement of the Company dated 26 April 2016 (the “**Announcement**”), the Company entered into the non-legally binding letter of intent with the Driving Force Limited (the “**Vendor**”), in respect of a possible acquisition. Subject to the formal sale and purchase agreement which may be entered into in relation to the possible acquisition, the Vendor shall sell and the Company shall acquire the sale share, representing 100% of the issued share capital of Clear Ambition Global Limited (the “**Target Company**”). The Target Company is a company incorporated in Samoa and principally engaged in the business of investment holding. It holds 90% of the issued share capital of Cellvax SAS, a company incorporated in France on 19 June 2001. Cellvax SAS is a service company which provides complete preclinical innovating services allowing accelerating the drug development process for unmet needs related to severe human diseases, mainly in oncology and osteoarthritis fields. The consideration for the possible acquisition is subject to further negotiations and determination between the Vendor and the Company. Please refer to the Announcement for further details on the letter of intent and the Target Company. As stated in the Letter from the Board, save for the possible acquisition as disclosed in the Announcement, the Company has not identified any concrete investment opportunities as at the Latest Practicable Date.

Having considered that (i) the loss making performance of the Group for the year ended 31 March 2015 and for the nine months ended 31 December 2015; (ii) the cash and bank balances of the Group of merely HK\$3.6 million as at 30 September 2015 and an unutilised cash balance of approximately HK\$27 million from the placing of the new Shares under the Existing General Mandate; (iii) the recent business developments of the Group, in particular, the possible acquisition as disclosed in the Announcement which may require cash outlay or allotment and issuance of new Shares as consideration should it be materialised; and (iv) the grant of the Refreshed General Mandate will provide the Group additional options and flexibility to raise funds or allotment and issuance of new Shares in a timely manner when required, as well as for improving its working capital position of the Company when necessary, we therefore concur with the Directors’ view that the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

LETTER FROM MESSIS CAPITAL

2. Fund raising activities of the Company during the past twelve months

Set out below is the fund raising activity of the Company during the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement	Transaction	Net proceeds (approximately)	Intended use of net proceeds as announced	Actual use of net proceeds
15 December 2015	Placing of 790,000,000 new Shares at the placing price of HK\$0.13 per Share under general mandate	HK\$100 million	For the development of existing business and for the general working capital of the Group	Approximately HK\$41 million has been utilized for the money lending business; HK\$18 million has been utilized for the anti-aging and stem cell technology businesses; approximately HK\$14 million has been utilized for general working capital of the Group; the remainder of approximately HK\$27 million remains unutilized and will be used as intended

Save as disclosed above, the Company had not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

The net proceeds from the abovementioned equity fund raising activity have been applied as initially intended. For those not been utilised as at the Latest Practicable Date, it is expected to be applied as initially intended as mentioned above. Per our discussion with the management of the Company, the Directors consider that it is necessary for the proposed refreshment of the Existing General Mandate, as (i) it will enable the Group to conduct fund raising activities or allotment and issuance of new Shares for its future operations and business development or suitable prospective investment opportunities if and when they arise; and (ii) granting of specific mandate is subject to the approval of the Shareholders which may cause undue delay if the Group wishes to carry out timely acquisitions. If the Existing General Mandate is refreshed, the Group will be in a better bargaining position in the negotiation of potential investments or acquisitions. Taking into consideration that (i) the unutilized portion of the proceeds raised from the Company's recent fund raising activity is expected to be applied as initially intended and (ii) the fact that the Company has entered into the non-legally binding letter of intent with the Vendor in relation to the possible acquisition of the Target Company which may require cash outlay or allotment and issuance of the new Shares as considerations should the possible acquisition be materialised, we concur with the Directors' views that maintaining financial

LETTER FROM MESSIS CAPITAL

flexibility of the Group is conducive to its future business development and investment and that the grant of Refreshed General Mandate will provide an alternative for the Company to raise funds or allotment and issuance of new Shares and will provide more flexibility and options of financing to the Group for future investments and business development as and when any opportunity arises given the rapid changing investment environment and in times of volatile market conditions. If the Company proposes to issue any new Shares utilising the Refreshed General Mandate, it will make further announcement(s) as and when required.

Based on the above and in view of the next annual general meeting will not be held until around August 2016 which is about three months away from the Latest Practicable Date, the grant of the Refreshed General Mandate shall ensure the Company having sufficient general mandate if so required, therefore we concur with the Director's view that the grant of the Refreshed General Mandate is fair and reasonable, and in the interest of the Company and its Shareholders as a whole as it offers the Group the financial flexibility for both current and future funding needs, taking into account the financial position of the Group.

3. Other financing alternatives

As advised by the Company, apart from equity financing, the Group will also consider other financing alternatives such as debt financing and bank borrowings before making any investment decisions. The Group will consider the cost and other terms of the funding before deciding the means of financing in order to maximum the benefit to the Shareholders. Furthermore, these debt financing alternatives will usually incur interest burden on the Group and may be subject to, including but not limited to, lengthy due diligence and negotiations with the banks as well as pledge of assets of the Group given the loss making position for the year ended 31 March 2015 and for the nine months ended 30 September 2015. Further, the Group will consider other pre-emptive equity financing methods such as rights issue and open offer as compared with the equity financing under the Refreshed General Mandate, taking into account of (i) the timing of the funding needs as compared with the time required for carrying a rights issue/open offer; (ii) the then market condition; and (iii) the interest expressed by and the terms offered by any prospective underwriters in respect of right issue/open offer. In general, we consider that rights issue or open offer may be more time consuming as compared to direct placement of shares and would incur substantial costs in form of legal costs and underwriting commission. Apart from pre-emptive equity financing alternatives, the Company will also consider seeking the Shareholders' approval for a specific mandate to issue new Shares if appropriate. However, it is noted that a specific mandate requires relatively longer time to allot and issue new Shares as compared with utilising the general mandate and hence, may not be a suitable means of satisfying the financing need for prospective investment opportunity that requires timely commitment. The Directors advised us that they would exercise due and careful consideration when choosing the best method of financing for the Group.

LETTER FROM MESSIS CAPITAL

In light of the above, we consider that the grant of the Refreshed General Mandate will provide the Company with an additional financing alternative to raise further capital for its business development if and when an opportunity arises and it is reasonable for the Company to have the flexibility in deciding the financing methods, among the various means of financing, including but not limited to equity financing either under the Refreshed General Mandate or a specific mandate, pre-emptive equity financing and debt financing, for its future business development and the efficient use of its funds. Therefore, we are of the view that the grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

4. Potential dilution to Independent Shareholders' shareholdings

Set out below is a table showing (i) the shareholding structure of the Company as at the Latest Practicable Date; and (ii) for illustrative purpose, upon full utilization of the Refreshed General Mandate assuming that there will be no other change to the total number of Shares of the Company from the Latest Practicable Date up to the date of the EGM.

Shareholders	(i) As at the Latest Practicable Date		(ii) Immediately upon full utilisation of the Refreshed General Mandate (Note 2)	
	<i>Number of Shares</i>	<i>approximate %</i>	<i>Number of Shares</i>	<i>approximate %</i>
Mr. Lin (Note 1)	848,506,333	17.90	848,506,333	14.91
Available to be issued pursuant to the Refreshed General Mandate	—	—	948,066,561	16.67
Other public Shareholders	<u>3,891,826,472</u>	<u>82.10</u>	<u>3,891,826,472</u>	<u>68.42</u>
Total	<u>4,740,332,805</u>	<u>100.00</u>	<u>5,688,399,366</u>	<u>100.00</u>

Notes:

1. Mr. Lin is the director of the Company.
2. Assuming no new Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM.

As illustrated in the table above, assuming no Shares will be issued and/or repurchased by the Company from the Latest Practicable Date to the date of the EGM, 948,066,561 new Shares can be issued upon full utilisation of the Refreshed General Mandate, representing 20% of the issued share capital as at the date of EGM, and the aggregate shareholding of the existing public Shareholders will decrease from approximately 82.10% as at the Latest Practicable Date to approximately 68.42% upon full utilisation of the Refreshed General Mandate, representing a potential maximum decrease in shareholding of approximately 13.68%.

Taking into account that the grant of the Refreshed General Mandate (i) would allow the Company to raise capital by allotment and issuance of new Shares before the next annual general meeting; (ii) would provide more flexibility and options of financing to the

LETTER FROM MESSIS CAPITAL

Group for its current and future business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise; (iii) the above flexibility outweigh the dilution effect of the existing Shareholders as the Company is able to respond in a timely and effective manner to take advantages of any material investment opportunities for the benefit of the Company and its Shareholders as a whole; (iv) the possible acquisition engaged by the Group and the timely funding need as a consequence; (v) the refreshment of Existing General Mandate provides the Company an additional financing alternative other than debt financing, pro-rata equity financing and equity financing under specific mandate and (vi) the shareholding interests of all Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the Refreshed General Mandate, we are of the opinion that the potential dilution to the shareholdings of the public Shareholders as mentioned is justifiable.

In view of the above, we consider that the grant of the Refreshed General Mandate is in the interest of the Company and the Shareholders as a whole.

RECOMMENDATIONS

Having taken into account the principal factors and reasons referred to the above, we are of the opinion that the grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the grant of the Refreshed General Mandate.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Robert Siu
Managing Director

Mr. Robert Siu is a licensed person registered with the SFC and regarded as a responsible officer of Messis Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 15 years of experience in corporate finance industry.

NOTICE OF EGM



Hong Kong Life Sciences and Technologies Group Limited

香港生命科學技術集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8085)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Hong Kong Life Sciences and Technologies Group Limited (the “**Company**”) will be held at 5/F, Euro Trade Centre, 13–14 Connaught Road Central, Hong Kong on Friday, 3 June 2016 at 11:00 a.m. to consider and, if thought fit, pass with or without amendments the following ordinary resolutions:

ORDINARY RESOLUTIONS

(1) “**THAT:**

- (a) the authorised share capital of the Company be and is hereby increased from HK\$200,000,000 divided into 5,000,000,000 ordinary shares of a nominal or par value of HK\$0.04 each (“**Shares**”) to HK\$400,000,000 divided into 10,000,000,000 Shares by the creation of an additional 5,000,000,000 Shares (“**Increase in Authorised Share Capital**”); and
- (b) the directors of the Company (“**Directors**”) be and are hereby authorised to do all such acts and things and execute and deliver all such documents which they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Increase in Authorised Share Capital.”

(2) “**THAT**, subject to and conditional upon the passing of Resolution (1) above:

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the additional shares of HK\$0.04 each in the capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF EGM

- (b) the approval in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereafter defined); (ii) the exercise of any Share Option Scheme (as hereafter defined) of the Company; or (iii) any scrip dividend or other similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares pursuant to the articles of associations of the Company (the “**Articles**”) in force from time to time in accordance with the GEM Listing Rules; (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed 20% of the aggregate of the share capital of the Company in issue as at the date of passing of this resolution and the approval in paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any other applicable laws of the Cayman Islands to be held; and (iii) it is revoked or varied by an ordinary resolution of the shareholders of the Company (the “**Shareholders**”) in a general meeting prior to the next annual general meeting of the Company.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the Company’s register of Shareholders on a fixed record date in proportion to their then holdings of Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirement of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong); and

NOTICE OF EGM

“**Share Option Scheme**” means a share option scheme or similar arrangement for the time being, as varied from time to time, adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible person of shares or rights to acquire shares of the Company.”

By order of the Board
Hong Kong Life Sciences and Technologies Group Limited
Lu Zhiqiang
Executive Director and Chief Executive Officer

Hong Kong, 18 May 2016

Notes:

- (a) Any Shareholders entitled to attend and vote at the above meeting is entitled to appoint one or, if he/she/it is the holder of two or more Shares, more than one proxy to attend and vote on his/her/its behalf in accordance with the Articles. A proxy need not be a Shareholder.
- (b) To be valid, a form of proxy together with any power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be deposited at the Company’s Hong Kong branch share registrar and transfer office, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 48 hours before the time appointed for holding of the above meeting or any adjournment thereof.
- (c) Completion and return of an instrument appointing a proxy will not preclude a Shareholder from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (d) In the case of joint registered holders of any Share(s), any one of such joint holders may vote, either in person or by proxy, in respect of such Share(s) as if he/she/it was solely entitled thereto if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names first stand in the register of Shareholders in respect of the joint holding.